

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

CORE SCIENTIFIC, INC. *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 22-90341 (DRJ)
)
) (Jointly Administered)
)

**COMPLEX CASE FEE APPLICATION COVERSHEET (HOURLY)
WITH REGARDS TO THE FIRST INTERIM APPLICATION OF GRAY REED
FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT
OF EXPENSES AS CONFLICTS AND EFFICIENCY COUNSEL
FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
FOR THE PERIOD OF JANUARY 30, 2023 THROUGH MAY 31, 2023**

Name of Applicant:	Gray Reed	
Applicant's Role in Case:	Conflicts and Efficiency Counsel to the Official Committee of Unsecured Creditors	
Docket No. of Employment Order(s):	March 1, 2023 [Docket No. 602]	
Interim Application (X) No. <u>1</u> Final Application ()	Indicate whether this is an interim or final Application. If interim, indicate the number (1 st , 2 nd , 3 rd , etc.)	
	Beginning Date	End Date
Time period covered by this Application for which interim compensation has not previously been awarded:	01/30/2023	05/31/2023
Were the services provided necessary to the administration of or beneficial at the time rendered toward the completion of the case? Yes		
Were the services performed in a reasonable amount of time commensurate with the complexity, importance and nature of the issues addressed? Yes		
Is the requested compensation reasonable based on the customary compensation charged by comparably skilled practitioners in other non-bankruptcy cases? Yes		
Do expense reimbursements represent actual and necessary expenses incurred? Yes		
Compensation Breakdown for Time Period Covered by this Application		
Total professional fees requested in this Application:	\$139,956.00	
Total professional hours covered by this Application:	195.50	
Average hourly rate for professionals:	\$715.89	
Total paraprofessional fees requested in this Application:	\$4,855.00	

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Core Scientific Mining LLC (6971); Core Scientific, Inc. (3837); Core Scientific Acquired Mining LLC (N/A); Core Scientific Operating Company (5526); Radar Relay, Inc. (0496); Core Scientific Specialty Mining (Oklahoma) LLC (4327); American Property Acquisition, LLC (0825); Starboard Capital LLC (6677); RADAR LLC (5106); American Property Acquisitions I, LLC (9717); and American Property Acquisitions, VII, LLC (3198). The Debtors' corporate headquarters and service address is 210 Barton Springs Road, Suite 300, Austin, Texas 78704.

Total paraprofessional hours covered by this Application:	16.70
Average hourly rate for paraprofessionals:	\$290.72
Total fees requested in this Application:	\$144,811.00
Total expense reimbursements requested in this Application:	\$1,118.27
Total fees and expenses requested in this Application:	\$145,929.27
Total fees and expenses awarded in all prior Applications:	\$0.00
Plan Status: To date, the Debtors have not yet filed a chapter 11 plan of reorganization.	
Primary Benefits: During the Application Period, Gray Reed spent time, among other things, investigating potential claims and causes of action against BRF Finance Co., LLC and its affiliates, which resulted in entry of that certain <i>Stipulation and Agreed Order Among the Debtors, the Official Committee of Unsecured Creditors, and B. Riley Regarding Challenge Period</i> [Docket No. 800].	

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FOR THE PERIOD OF JANUARY 30, 2023 THROUGH MAY 31, 2023**

IF YOU OBJECT TO THE RELIEF REQUESTED, YOU MUST RESPOND IN WRITING. UNLESS OTHERWISE DIRECTED BY THE COURT, YOU MUST FILE YOUR RESPONSE ELECTRONICALLY AT [HTTPS://ECF.TXSB.USCOURTS.GOV/](https://ecf.txsb.uscourts.gov/) WITHIN TWENTY-ONE DAYS FROM THE DATE THIS MOTION WAS FILED. IF YOU DO NOT HAVE ELECTRONIC FILING PRIVILEGES, YOU MUST FILE A WRITTEN OBJECTION THAT IS ACTUALLY RECEIVED BY THE CLERK WITHIN TWENTY-ONE DAYS FROM THE DATE THIS MOTION WAS FILED. OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

Gray Reed (“Gray Reed” or “Applicant”), as conflicts and efficiency counsel to the Official Committee of Unsecured Creditors (the “Committee”), hereby submits its first interim application (the “Application”) for allowance of compensation for professional services rendered and reimbursement of expenses incurred for the period from January 30, 2023 through May 31, 2023 (the “First Interim Period”).

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Core Scientific Mining LLC (6971); Core Scientific, Inc. (3837); Core Scientific Acquired Mining LLC (N/A); Core Scientific Operating Company (5526); Radar Relay, Inc. (0496); Core Scientific Specialty Mining (Oklahoma) LLC (4327); American Property Acquisition, LLC (0825); Starboard Capital LLC (6677); RADAR LLC (5106); American Property Acquisitions I, LLC (9717); and American Property Acquisitions, VII, LLC (3198). The Debtors’ corporate headquarters and service address is 210 Barton Springs Road, Suite 300, Austin, Texas 78704.

Gray Reed Invoices for Services Rendered During the First Interim Period

1. In support of this Application, Gray Reed submits its invoices for services rendered during the First Interim Period, which as attached hereto as **Exhibits A-C** and summarized below:

Exhibit No.	Period Covered	Fees	Expenses	Total Compensation Sought	Total Paid	Remaining Outstanding Balance
A	Jan. 30, 2023 - Jan. 31, 2023	\$5,061.50	\$0.00	\$5,061.50	\$0.00	\$5,061.50
A	Feb. 1, 2023 - Feb. 28, 2023	\$56,341.50	\$32.19	\$56,373.69	\$0.00	\$56,373.69
A	March 1, 2023 - March 31, 2023	\$55,122.50	\$1,086.08	\$56,208.58	\$0.00	\$56,208.58
B	April 1, 2023 - April 30, 2023	\$24,962.00	\$0.00	\$24,962.00	\$0.00	\$24,962.00
C	May 1, 2023 - May 31, 2023	\$3,323.50	\$0.00	\$3,323.50	\$0.00	\$3,323.50
GRAND TOTAL		\$144,811.00	\$1,118.27	\$145,929.27	\$0.00	\$145,929.27

2. Although every effort has been made to include all fees and expenses incurred during the First Interim Period, some fees and expenses might not be included in this Application due to delays caused by accounting and processing during the First Interim Period. Gray Reed reserves the right to seek allowance of such fees and expenses in a subsequent fee application. Subsequent fee applications will be filed in accordance with section 330 of title 11 of the United States Code (the “Bankruptcy Code”), rule 2016(a) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), rule 2016-1 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Southern District of Texas (the “Local Rules”), the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals* [Docket No. 541] (the “Interim Compensation Order”) and the *Procedures for Complex Cases in the Southern District of Texas*.

WHEREFORE, Gray Reed, as conflicts and efficiency counsel for the Committee, respectfully requests that the Court enter an order in the form attached hereto (the “Order”): (a) granting it interim allowance in the amount of **\$144,811.00** as compensation for professional services rendered and **\$1,118.27** for reimbursement of expenses incurred during the First Interim

Period; (b) authorizing the Debtors to disburse to Gray Reed the outstanding balance of **\$145,929.27** not previously paid in accordance with the Interim Compensation Order; and (c) granting such other further relief as this Court deems proper.

Respectfully submitted this 11th day of September, 2023.

GRAY REED

By: /s/ Jason S. Brookner

Jason S. Brookner

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Lydia R. Webb

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*Counsel for the Official Committee of
Unsecured Creditors*

Certificate of Service

I certify that on September 11, 2023, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Jason S. Brookner

Jason S. Brookner